WASHINGTON

Excitement Over the Failure of the Merchants' National Bank.

Inside View of the Washington Banks.

How the Government Funds Are Used.

The Treasury Department Loaning Money to Bolster Up the Mational Banking System.

Important Letter from Collector Smythe to the President.

Speechmaking Day in the House of Representatives. &c.

WASHINGTON, May 19, 1866.

PROCEEDINGS IN THE HOUSE OF REPRESENTATIVES. The Senate having adjourned over until Monday, and saturday being set apart as a sort of field day in which the country members are privileged to read their printed speeches to empty seats and galleries, the Capitol naturally presented a forsaken aspect. The usual number of speeches were made on reconstruction, but nothing of the slightest interest transpired. So many members had taken advantage of the dulness of the past week to visit their homes that the work of the com-mittees was retarded, and nothing of consequence ap-

MURTING OF THE COMMITTEE OF BANKING AND CUR

The Committee on Banking and Currency had another meeting this morning and is reported to have nearly perfected a plan for the prevention in future of such afas that of the Morchants' National Bank of this

THE OHIO STATE CENTRAL REPUBLICAN COMMITTEE AND THE POLICY OF THE ADMINISTRATION.
Some uneasy radicals have denied the statement that

cent meeting and endorsed the policy of the adminis tration. I have high authority for saying that an informal meeting was held in Columbus, that twelve members were present in person, and five others responded by letter, and that of the whole committee of twenty-thre gress against the President.

THE REPORTED MASSACHE AT FORT GOODWIN. Lieutenant General Grant has received a despatch from Major General H. W. Halleck, in California, in which he says that there is not a word of truth in the report that Fort Goodwin has been captured by the Apac the garrieron massacred. He denounces the report as al-together sensational. It will be remembered that at the time the story appeared it was discredited in Washington on the authority of J. Ross Browne, who had just arrived

PARDONS.

The President to-day pardoned five citizens, two re-siding in Alabama and the others respectively in North Carolina, South Carolina and Georgia, all under the first ndEhirteenth clauses of the amnesty proclamation.

William A. Harm, who was convicted in the United sylvania, on the charge of passing counterfeit money, was yesterday pardoned by the President. TREATY WITH THE SHOSHONE INDIANS.

Governor of Idaho has concluded a treaty with head men and women, made the council, representing from eight hundred to one thousand Indians, which was seld in the heart of the Indian country. By this treaty he Governor says, the Oughee war has been extinthe Oughee mines, are ceded to the United States.

INTERNAL REVENUE RECEIPTS.

TREASURY DISBURSEMENTS. The following disbursements were made last wee the Treasury for the respective departments:--War. \$111,347; Navy, \$1,109,288; Interior, \$235,256--total

\$1,456,801.
DISCHARGE OF TREASURY EMPLOYES. ployment.

Our Washington Correspondence.

WA-HENTON, May 19, 1866.

THE NATIONAL BANKS.

The failure of the Merchants' National Bank of this city is no surprise to that portion of the business com-munity who had any knowledge of those managing that institution. It has been a wonder for a long time past why the government intrusted its funds in that bank over night. For a business man to deposit money there was considered among his associates as an evidence of insanity. If a merchant gave a check on the bank he would be looked upon as suspicious. These facts have been notorious for a long time, and were so generally talked about that when the bank faited its list of depositors was confined almost exclusively to the government and men in the different departments. The bank would have failed three months ago had it not been for the fact that the government bolstered it up; and this is not the only national bank in that condition. If the affairs of the banks under this system could only be paying interest on call deposits in the Sub-Treasuries throughout the country, and at the same time placing funds in the hands of the national banks and allowing the latter the use of these funds without interest Thus, in fact, the policy of the present management of the Treasury Department has been to pay interest for money to bolster up Chase's rotten system of banking. This is the whole affair in a nut shell, and the people are called

upon to foot the bill in the shape of taxes.

It is but a short time since the government was paying interest on fifty or sixty millions of special de-posits m its Sub-Treasuries. At that very time the Treasury Department had on deposit in the national banks nearly that amount, which was not drawing inte-

Department to deposit their funds there, will endeavor to make the subordinate paymasters the supeposits of the whole suffair. It is their ore necessary that Congress should make a rigid investigation, and if the matter is ferreted to the bottom they will not only find that many of those officers are not only inocent sufferes, but that they were influenced to deposit their funds in that bank by parties in the departments, who either had an interest in the bank or a percentage paid them on all the government funds which they secured for the bank. This is the way the business is done here. Those initiated in Washington matters have no trouble in tracing the influence which placed every dollar of the funds of the government into the Merchants' National Bank which was there when the bank failed. It will be no trouble for Congress to ascertain the fact if the committee go to work with the intention of ferreting it to the bottom. The danger is that the moment that an investigation is commenced they will find that some prominent department official will commence to squeal, and the committee will hush the matter up and close the investigation.

Some idea may be obtained how these patienal banks.

bottom. The danger is that the moment that an investigation is commenced they will find that some prominent department official will commence to squeat, and the committee will hush the matter up and close the investigation.

Some idea may be obtained how these national banks are manipulated when the mode of organizing one of them is known. There is at present in operation a national bank in this city in which but a short time since the government had on deposit in its vaults some three millions of dollars. This bank was started in so singular a manner that it attracted the attention of everybody here except those whose attention it ought to have attracted. A certain party who had been operating in various things around Washington enlisted with him an ex-official of the Treasury, who held an important position under Chase, and then brought in another person in the Auditor's Department, another in the Interior, and se on around the department; taking those who were in a position to know all about claims in every department of the government, and at the same time holding positions which would enable them to secure immediate action and payment on such as they desired, and the delay of others. These men were made directors delay the such and the institution started on a nominal capital. The such and the institution started on a nominal capital. The such and the institution started on a nominal capital. The such and the institution started on a nominal capital. The such and the institution started on a nominal capital. The such and the institution started on a nominal capital. The such and the institution started on a nominal capital. The such and the institution started on a nominal capital. The such and the institution started on a nominal capital with a such and the such

THIRTY-NINTH CONGRESS.

HOUSE OF REPRESENTATIVES. WASHINGTON, May 19, 1866. MESSAGE FROM THE PRESIDENT.

The Spraker presented a message from the President transmitting, in further response to the House resolution of the 7th inst, reports from the Secretary of the Navy, Secretary of the Interior and Postmaster General, as to the clerks and employes of those departments, and whether any have served in the rebel army. Laid on

The SPEAKER announced that, by order of the House, no business would be in order to day except debate on

speech on the subject of reconstruction. It might well be, he thought, that the Joint Committee on Reconstruction was only one of the several instruments made es-sential in perfecting the series of acts in the great drama of events rendered necessary to save the nation and to tion was only one of the several instruments made executive in perfecting the series of acts in the great drama of events rendered necessary to save the nation and to restore it to homogeneous concord. And it might also be that those schemes were severally indispensable to check the growth of the poissonus shoots likely to spring from the remaining root of the recently felled tree of treasonable planting. He laid down the following propositions, and supported them by argument:—First—The incidents connected with the revoit of the Southern States had in no respect shridged the powers or the jurisdiction of the government of the United States. Second—These incidents had changed the relations of the revoiting Stat's toward the general government and had affected dome of their rights. Thrid—The relations thus changed and the right thus affected can be restored to these States only by the legislative branches of the government. Fourth—These relations and these rights should be restored as speedily as the interests of all the parties concerned will permit. To restore the Southern States to their normal condition, without any restrictions, would be held to make no distinction between virtue and vice, would be contrary to precedent, in conflict with analogy, repugnant to justice, and in opposition to the teachings of the Baitimore platform, the repeated and well known sentiments of the present Executive of the nation, of his predecessor, and of both branche of Congress. He regarded it as of little moment whether the governments of the eleven States were considered as dead, suspended or only deranged, of whether they were treated as in or out of the Union, for in either view it required interposition to reconstruct, restore or resurrect them. Reconstruction was the natural fruit of the rebellion, and if the fruit were bitter it was to be attributed to its wicked planting and its most perfucious collure. Beconstruction involved such weighty interests that no desire, be it ever so worthy, for a speedy restoration, would in

posite in its Sub-Treasuries. At that very time the Treasury Department had on deposit in the national banks nearly that amount, which was not drawing interest, but, as far as the banks of this city are concerned, was used to buy up claims against the government at from five to ten per cent discount, and the money drawn from the Treasury immediately for those claims. The general public have no idea of the abuses which exist under the national bank system.

The failure of the Merchants' National Bank has in a measure lifted the veil from the operations of these banks, but it has done so only to a limited extent. It depends very much upon the action of Congress whether the country will profit by this failure or will be permitted to drift along until a general crash of the banks fakes place. The banks in New York kity and State and New England are altogether different from those organized in this locality. In New York, for instance, there was a stream of the mational plan. Under that system the business of banking was so restricted that the looseness which exists in many places with the national banks was impressible. The New York through the proposes in the divine economy. The Machianton of the national plan under the system the business of banking was so restricted that the looseness which exists in many places with the national banks was impressible. The New York banks, since their change to the national system, have continued to conduct their trusties upon the same should be conducted that the consense of the heart of the proposes. It is almost impossible for a merchant or a business man tog it any accommendations at these banks in the shape of discounts of party, even if it is of the very best character. These in charge of the bank;

fountains of legislation. It was the simplest dictate of legal justice and political prudence that the leaders of the rebellion should be banished forever from the halls of legislation, the courts of justice and the seats of administration, and it was equally clear that time should be allowed to remove the prejudices and soften the asperities of a hostile population before they were permitted to exercise the elective franchise. With all deference to the opinious of others, he thought these men had no busness before Congress but to plead for pardon. He would pay to these tailen chiefs the tribute due to men who were brave in a bad cause; and he would give them the privilege to live and die in unmolested obscurity. The governments of the insurgent States should be reorganized by and maintained in the hands of men sincerely loyal; and this could only be reached by requiring as conditions precedent to restoration, first, that the civil and military leaders of the rebellion, who naturally create and direct the public opinion of the South, shall be made indigible to office under the United States government; second, that the rights of the freedmen and the safety of the government be secured by granting suffrage to the liberated or withholding it temporarily from the disloyal; third, that the elective franchise and an equal distribution of political power shall be protected by a decrease in the basis of representation, where impartial suffrage is denied by such a proportion of the whole population as the disfranchised males above twenty-one years of age bear to the whole male population above that age. In regard to the colored people of the South, he thought there could be little danger from giving political rights to a race so decide and apt to learn. It seemed to him that, in view of their loyalty and humanity and bravery during the war, that that was a legitimate result of the war, and that to withhold it would be a violation of the graftitude and the honer and the plighted faith of the republic. But he would not i

mountains and rich in its plains, blessed in its climates and blessed in its peoples.

Mr. Ross, (dem.) of III., next addressed the House. The first and greatest of the practical issues before the country was the restoration of the Union with amicable and fraternal relations between its different sections. The objects for which the war was prosecuted had been authoritatively enundated by resolutions of Congress, and on that platform, acquiesced in by every department of the government. The rebellion had been suppressed, peace restored and the Union maintained. Animosity had begun to give way, sectional bickering to be hushed, confidence to revive, and the Executive had imaggrated and was successfully carrying out a policy for civil authority which commended itself to the countries and the civilized world at the time when Congress

regarded as a fallacy and contrary to all experence, either as regards this or any other nation. Alexander Hamilton's was the true idea of government in controdistinction of that of Jefferson. The latter tended towards State rights and secression; the former towards nat onal unity and power. The idea of Jefferson had been fought out to the last resort—that of war itself, the idea of Hamilton survived the war of the resolition and was the only safety of the country. He looked upon a merely agricultural country as fiving only in the first stage of national existence, manufactures being necessary to develope its resurces, to vary employments, and thus to afford the means of giving every man an opportunity to follow the bent of his genius. Artificial, like natural life, requires variety in order to its more perfect developement. The internal trase of the country, more valuable by millions than the foreign trade, presented but two eventualities to the American people either under it they must see their meanufactories destroyed, or else, their mechanics must work for the starvation wages of Europe. The result in either case would be revolution. The American mechanic must have the comforts and even luxures of life. Agriculture is the great central interest of the country; but like the sun, it must have its planets to revolve around it of its benefits would become dissipated in emply space. The burden of taxation would fail on the foreign manufacturer and on the realized wealth of this country. This was the case in Great Britain. The manufacturing districts of the Union now pay over three-fourths of the internal revenue, while protection is no greater than before. This was driving many domestic manufactures, each as steel, irou, potter, &c, from the field. The flood of foreign importations was also tending to derange the finances of the country. Imports were increasing, while exports were decreasing. The sale of United States bonds in Europe was now paying the balance of trade against us. These bonds should be retained

The Referee System.
TO THE EDITOR OF THE HELD.
Thank God your valuable journal has had the independence to speak out against the infamous referee system of this city. There are abuses extending to about one third of the cases brought in our courts, and is a means whereby half-starved attorneys gain a livelihood, in many cases without reference to capacity or honesty. Then, again, we find acting as referees the special friends of judges, in the shape of sons, brothers in law, partners, and not unfrequently the clerks of courts before which cases are pending, especially if such cases involve much interest, and where two-thirds or the money or property in dispute is consumed before a decision is made. The referee system is a fraud on the public in New York, and Judge Barnard should apply the remedy by looking forther than cases of divorce.

A SUFFERER.

Soldlere Committed to the Penitentiary. Twenty-six soldiers of the regular army have been committed to the Pentrentiary for descriton and insulordination. Their terms of configuration the configuration of the config

NOTICES OF NEW PUBLICATIONS.

HISTORY OF THE GYPSIES, WITH SPECIMENS OF THE GYPST LANGUAGE. By Walter Simson. Edited, with Preface. Introduction, Notes, &c By James Simson. Doolady, Broome street. All remember the interest which the "Rommany Rye"

ago. He threw a flood of light on the habits and charbut by the labors of the author's literary legatee it has assumed a more general character and embraces that The motive of the postponement of its publication until after the death of its author is explained in the editor's preface by the apprehension of personal danger from the vindictive race of which it treats, and also by the dread and the idea of being made the subject of one of the

ing of the work for so long a period. It is very diffusely which it groups together would frequently wear, the patience of the reader. It was, no doubt this consciousness of its literary imperfection that rendered its author so timid in regard to the critics, and we could have wished that his literary legatee and editor (Mr. James Simson) had been torment-ed by similar doubts. Instead of attempting to improve still more glaring by supplementing them with his own and "a general disquisition," as he calls it, "on the past present and future of gypsydom," which is neither phi

work, which seems to have been written by a man of sense and intelligence, we will begin by noticing of the gypay race. That it was Asiatic there is no reason to doubt. The ethnological characteristics, habits and superstitions of the race would all go to prove writer that this strange people had a European origin and were simply the offspring of that tendency to law ossness and rapine which pervaled in the middle ages, and which, assuming an organization like that of free-nasonry, succeeded in maintaining it to our day through we at least plausible. One of the links connecting the remnant of the great Hindoo religious sacrifice of the

this subject nearly the same answer which a Hungarian nobleman gave to Dr. Bright when that traveller asked him if he could not devise a plan for bettering the condition of the race in Hungary. The nobleman said he know of no manner of improving the gipaies. The best plan yet proposed for improving the race appears to us the one suggested by the Rev. James Crabb, of Southampton, and the Rev. John Baird, of Yelholm. One of the first steps, the should be a complete publicity to their language. If that should be a complete publicity to their language, if that were possible, and encouragement held out to them to speak it openly, without fear or repreach. Their secret speech is a strong bond of union among them, and forms, as it were, a wall of separation between them and the other inhabitants of the country."

PHARMACEUTICAL DIRECTORY OF ALL THE CRUDE DRUGS NOW IN GENERAL USE, THEIR ETYMOLOGY AND NAMES IN ALPHABETICAL ORDER. By John Rudo'phy. Wm. Radde, Pearl street.

The work of Mr. Rudolphy appears to be one of great utility. It is stated to be got up with a view of obviating the frequently occurring confusion of articles used for pharmaceutical, medical and technical purposes, and seems likely to prove a safe guide to French and German, as well as to American druggists, apothecaries and

THE QUEEN'S FAVORITE, OR THE PRICE OF A CROWN. An Historical Romance of the Fif-teenth Century. Peterson & Brothers, Phila-delphia.

This story would be one of considerable interest if it had been loss painfully elaborated. The author has overloaded his work with episodes and descriptions which are not necessary to the effective working out of his story. With less labor he would have done more jus-

Alleged Failure of the Pensacola's En-TO THE EDITOR OF THE HERALD.

Your readers cannot fail to remember what a great row Mr. Isberwood made about the wretched performance of Mr. Isherwood made about the wretched performance of Dickerson's engines, with which the Pensacols was originally propelled. Yet after the engines which Mr. Isherwood has fitted to this vesset, in place of those he condemned and removed, have proved that they cannot propel the vesset from Norfolk to New York without being almost totally rained by the excessive heating and cutting of journals and the cutting of the cylinders themselves, to say nothing of other matters, reports are in dustriously circuiated by interested parties that these enkines have proved a wonderful success, and it is given out that the repairs which this vessel is now undergoing are merely those which are usually necessary before a vessel is put in commission. The facts are as follows—On a short trip with these engines from Norfolk to New York the heating of the crank pin journals was so extraordinary that both the pins and brasses were so cut to pieces that the engines could scarcely be operated at all. The brasses were fractured and had to be sent to the machine shop to be bored out, and the pins themselving success and to be chipped, filed and scraped. The main cylinders were so learfully cut up that a large steam engine and boiler is now on the deck of the vessel for the purpose of reboring them. There are several other small matters which I will not occupy your space by enumerating. Suffice it to say that the greatest number of revolutions which could be got out of these engines was only twenty-mie, and as the screw is but twenty-eight feet mean pitch, it will be seen that the vessel must have been going at maximum, under steam alone, considerably less than eight knots. The worst feature of this business is that there are now building in the various shops twenty-mie, and as the screw is but twenty-might feet mean pitch, it will be seen that the vessel must have been going at maximum, under steam alone, considerably less than eight knots. The worst feature of this business is that there are now building in the various shops twenty-mie,

Arrivals and Departures.

Liverpoot—Steamshy City of Paris—Col A B Brincherbest, wife and two daughters: J G Dethatra, J G Sanchez, A Gutterrer, J C Muller, Thomas Kingan, Mr. Stickney, B P. A Gutterrer, J C Muller, Thomas Kingan, Mr. Stickney, B P. Kensign, Mr. Stickney, B P. Kensign, Mr. Saliright, Mr. and Muss Linder, Mr. Pauthornes, wife and daughter; Mrs. Poladester, Mrs. McHwaine and Miss S W McHwaine, Henry Gung, Henry Anachutz, Wm Bader, Dr. J T Evans, wife and child; J B Williams and wife, Mrs. Jonathan Miller, Miss Mary Miller, J Wilson, T Wilson, Wm Graham, Paul Fever and wife, Lin Davenport, Alphones de Fourlaise, Mrs. Williams, two children and nurse; John Gill and wife, Geo ltiggs, wife and two children and nurse; John Gill and wife, Geo ltiggs, wife and two children, J Petrie, wife, ince children and nurse; John Gill and wife, Geo ltiggs, wife and two children, Chas K Buckley, Mr Stanton, Mr. Higgins and Miss Cornish, four children and nurse, W Thompson and wife, John Hisset, Chas K Buckley, Mr Stanton, Mr. Higgins and wife Mr By Mylor and two children, Mrs. Dr. Ludlow and Missalladiow. Alex Cameron, Dr. Ludlow, Miss Paterson, Miss M. J Cameron, Rev Richard Lea and wife Mr Holyman and wife, Mr Fuseman, Mr Limier, Henry Pilleshie, John H Haviland, Eug Terry, Mr Bourne, J G Walter, Mrs. Graham, H I Isaacs and wife, Mrs. Lewis and Miss Lewis, John Horshoot, Captain Cornish, Mrs. Harlen and denebter, John Hazleton, Mr Masterson, Master Smith, F Hickinbottom, W F Shaw, Mr Cochrism, William Sims, George Barron, Thomas Whileside, James H Shorten, F S Fontios, Finger, Fontios, Petriesh, Mrs. Harlen and denebter, John Hazleton, Mr Masterson, Master Smith, F Hickinbotton, W F Shaw, Mr Cochrisma, Thomas Couland, C W Johnes, if M Downes, Edward Phelan, William Sims, George Barron, James Cully Mr. K William School, Mrs. Reliand wife and wife and three children and wife Mr Holdron and three children and wife Mr Holdron and School, Mrs. Belliand wife School, Mrs. Belliand wife and wife and wife and wife and wif

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MAILS FOR THE PACIFIC.

News from the National Capital-Move-Fenian Troubles-Speech of Head Centre

News from Europe, &c., &c. The mail steamship New York, Captain Horn leave this port on Monday for Aspinwall. The mails for Central America and the South

will close at half-past ten o'clock to-morrow morning.

be ready at half-past nine o'clock in the morning.

It will contain:—Interesting intelligence from the Na. tional Capital and a report of the proceedings of Conof General Santa Anna since his arrival in the United States; Report of the Mass Meeting of the Fenians at Jones' Wood, with the speech of Head Centre Stephens on the situation; Late and interesting News from all por-tions of Europe, and reports of all important occurrences

Single copies, if wrapper, ready for mailing, six cents.

From Hon. Ex-Governor Pennington,

A.—Lyon's Insect Powder—For Exter-minating Rosches, Ants and Vermin, and preserving Fura and Clothing from moths. The original and gominos to signed h. Lyon. All others are initiations. Take no other fusent Fooder but Lyon's. Not by all druggists and by BARNES A CO., M Park row.

A .- Mott's Chemical Pomade Restor gray hair without dying, is the finest but dressing know Use no dyes or itquid preparation. Depos 61 Harrisy stre Address. Polish & Son, Meerschaum danufacturers, 621 Broadway, near Fourth street Popes ut to order, bould and repaired.

All Prizes Cashed in Legal Lotteries. J. CLUTE, Broker, 176 Broadway. All Prizes in the Royal Havana and

P. GAIGE, Broker, 738 Broadway. Batchelor's Hair Dye .- The Best in the

Chevaller's Life for the Hair .- Never

Creeta, Coats of Arms, Initials, Monograms, Ac. richly chased, gilt and silver, for fine harmons equipmen. All the newest styles, at L. T. BOLANDES, 148 Points street.

Croquet.—The Pinest Assortment of Cro-quet Games can be found at 54 Malden lane. ALTHOF REEGMANN & CO.

For Cholera, Dysentery, Diarrhoa, All

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Parts Boots and Galters of Gann's best make, Parent leather and Galf skin, at HUNTS, & Broadway.

Royal Havana Lottery -- Prizes Patd in gold. Information furnished. The neglect rates paid for devilopment and all tipds of gold and view.

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The Singer Manufacturing Company's new Family Saving Machine tow many, also Federalish Savine. 408 Broadway.

Thousands are in Perit .- tomething He sides vagatation springs from the surth of the philis vapors are rising out of the power of the of fever, that may said be some the condend as Bon remnenties, they will not take rout to the graterial particle and fortible in average will rest take the side of TERTH STOMACH BITTERIS. Let all who so those fourther to an every those fluctors that note of this important for power in what he grateria named at the section, and defines appared as for the side of the second of the land of the side of the side of the second of the second

Thirty-eight Physicians, Mombers of the medical administration lader in season in Railingors, on-derend Hygienic Wine as the times of the age. Solid seasy-where, Diport M Streedway.

White, the Hatter, 303 Conal street,